

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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U.S. BANKRUPTCY COURT  
DISTRICT OF DELAWARE

In re:

W. R. GRACE & CO., et al.,

Debtors.

Chapter 11

Case No. 01-1139 (JJF)

Jointly Administered

**LIMITED OBJECTION OF FIRST UNION COMMERCIAL CORPORATION  
TO MOTION OF THE DEBTORS FOR ENTRY OF AN ORDER ESTABLISHING  
PROCEDURES FOR THE SALE OR ABANDONMENT OF *DE MINIMUS* ASSETS**

First Union Commercial Corporation ("First Union"), by its undersigned counsel, for its limited objection to the motion (the "Motion") of the debtors, W. R. Grace & Co., et al. (the "Debtors") for entry of an order establishing procedures for the sale or abandonment of *de minimus* assets, respectfully represents as follows:

**BACKGROUND**

1. On April 2, 2001 (the "Petition Date"), Debtors commenced the captioned cases by filing voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. Since the Petition Date Debtors have operated as debtors-in-possession under Sections 1107 and 1108 of the Bankruptcy Code.

2. First Union owns certain equipment it leases to debtor W. R. Grace & Co.-Conn. ("Grace") pursuant to the Equipment Lease Agreement dated as of December 21, 1995 (the "Equipment Lease"). The term of the Equipment Lease is ten years with rent payments due monthly on the 21<sup>st</sup> day of each month.

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**THE MOTION**

3. On June 26, 2001, Debtors filed the Motion, wherein they seek, *inter alia*, authority to sell assets with a market value less than \$5 million (which serves as the demarcation point between a *de minimus* and non-*de minimus* asset), and to do so with no notice to parties claiming an interest in assets with a market value less than \$1 million and with no opportunity for a hearing before the Court before such asset can be sold.

4. Debtors propose that prior notice of any sale of assets with a market value from \$1 to \$5 million be given to various parties in interest including parties claiming a specific interest in the assets to be sold; and for a hearing before the Court if any party objects to the proposed sale.

5. First Union owns assets which, pursuant to the Equipment Lease, are in Grace's possession. The original cost of the equipment was approximately \$1,142,000; thus, at this time such equipment may or may not have a value in excess of \$1 million.

**OBJECTION**

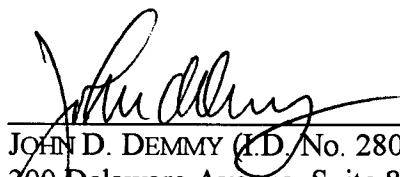
6. First Union objects to any sale of the equipment it leases to Grace. Under the Equipment Lease Grace has the right to possess and use the equipment but no ownership interest and no right to sell the equipment.

7. First Union further objects to the proposed sale procedures set forth in the Motion to the extent that an asset with a value less than \$1 million may be sold without notice or an opportunity for a hearing. Instead, notice of any proposed sale and an opportunity to object and have a hearing before the Court should be provided to all parties claiming interests in assets to be sold, whatever the assumed value of the asset is.

WHEREFORE, First Union respectfully objects to the Motion; requests that any order entered by the Court in connection with the Motion provide that parties claiming an interest, whether by ownership, lien or otherwise, be given notice, an opportunity to object and an opportunity to be heard by the Court before any asset sale can be consummated by the Debtors; and further requests such other and further relief as the Court deems just and proper.

Dated: July 6, 2001

**STEVENS & LEE, P.C.**



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**CERTIFICATE OF SERVICE**

I, John D. Demmy, hereby certify that on July 6, 2001, a true and correct copy of the foregoing LIMITED OBJECTION OF FIRST UNION COMMERCIAL CORPORATION TO MOTION OF THE DEBTORS FOR ENTRY OF AN ORDER ESTABLISHING PROCEDURES FOR THE SALE OR ABANDONMENT OF *DE MINIMUS* ASSETS was served on the parties listed below by regular First Class United States mail.

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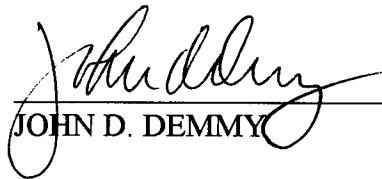
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